

CHAPTER NO. 875

SENATE BILL NO. 3841

By Curtis S. Person, Jr., Ford, Finney

Substituted for: House Bill No. 3882

By Odom, Hensley

AN ACT to amend Tennessee Code Annotated, Section 63-13-312 and Section 63-6-602, relative to the practice of medicine.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 63-6-602(b), is amended by deleting from the first sentence of the subsection the words and punctuation "this section" and substituting instead the words and punctuation "subsection (a)".

SECTION 2. Tennessee Code Annotated, Section 63-6-602, is amended by adding the following language as a new, appropriately designated subsection:

(c) The provisions of subsection (a) shall not apply in the limited circumstances where the referring physician is referring physical therapy services, and in writing the physician (i) discloses his or her investment interest or financial relationship to patients when making a referral of the patient for physical therapy services, (ii) notifies the patient that they may receive physical therapy services at the provider of their choice, (iii) informs patients that they have the option to use one of the alternative providers, and (iv) assures patients that they will not be treated differently by the physician if they do not choose to use the physician-owned entity. Notwithstanding any provision of law to the contrary, nothing in this subsection shall be construed to affect the ability of the Commissioner of Labor and Workforce Development to regulate, through the workers' compensation comprehensive medical fee schedule and regulated system established by rules promulgated pursuant to Section 50-6-204, all health care providing services to workers' compensation patients.

SECTION 3. Tennessee Code Annotated, Section 63-13-312(11), is amended by inserting the following language immediately preceding the semicolon:

Physical therapists employed by or contracting with a physician, physician group (as defined in accordance with the federal Physician Self-Referral Law at 42 U.S.C. Section 1395nn) or entity primarily owned by physicians and receiving wages or other compensation and/or benefits pursuant to such employment or contract shall not be deemed to be in violation of any provision under this chapter solely by virtue of such employment or contract, and shall not be subject to licensure denial, suspension, revocation, or any other disciplinary action or other penalty described under this chapter solely by virtue of such employment or contract. This subdivision (11) shall not be interpreted in such a way as to create a prohibition on the corporate practice of any health care professional where no such prohibition previously existed;

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

Passed: May 23, 2006



JOHN S. WILDER
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 5th day of June 2006



PHIL BREDESEN, GOVERNOR